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POLAND: Regime Concerns

The regime continues its efforts to demonstrate a return to order and normality but remains worried about potential centers of resistance. At the same time, the government seems intent on using the force of martial law to push through steep retail price increases.

Moscow, meanwhile, is maintaining a barrage of media criticism of US economic sanctions, but appears anxious to limit the impact of the issue on overall US-Soviet relations.

Warsaw radio claimed on Thursday that steel mills and other heavy industrial plants are working at full capacity for the first time since the imposition of martial law, but admitted that the situation is "still difficult" in the Baltic ports. The authorities clearly are nervous about the prospective return to work on Monday of militant shipyard workers who have been on enforced furlough since before Christmas.

Regime nervousness may be fed by continuing evidence of sporadic strike activity and passive resistance. Some strikes in southwest Poland have idled factories. Although as of Tuesday there was little industrial activity in and around the city, there was nonetheless no evidence of a major confrontation between workers and security forces at an ammunition plant as reported in the press.

The government is opening most schools next week but has delayed for perhaps a month the return of younger university students. It obviously fears the universities could become staging grounds for demonstrations.

Abandoning a concession granted last February, the Military Council has decided that all Polish university students will have to take compulsory courses in Russian language and Marxism-Leninism. It asserts that factory directors are being instructed to dissolve Solidarity chapters and that workers are being pressed to sign loyalty oaths.

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### Pope Supports Solidarity

Pope John Paul II yesterday made his strongest statement to date in support of Solidarity in extemporaneous remarks at the end of his New Year's Day message. He called free trade unions a basic right and described Solidarity as an integral part of Polish traditions. The Pope in effect asserted that the union's right to exist is based on much more than the Gdansk agreement establishing it.

The Pope's statement indicates that the Church will press vigorously for the lifting of legal sanctions against the union. The full message was broadcast into Poland on Vatican radio, which they claim is not jammed.

In an effort to avoid a complete breakdown in the market supply situation, the government has announced proposed price increases ranging from 300 to 400 percent on a wide assortment of goods including meat, milk, coal, and utilities. The date and exact amount of the hikes will be decided after a two-week period of public discussions--which are virtually impossible under current martial law restrictions.

The price increases would help restore badly needed equilibrium to domestic consumer markets, which in the past year felt the impact of a more than 20 percent hike in wages and a decline in the availability of goods. They also would curb hoarding and speculation--including private purchases of farm produce--and help ease shortages, but at significant cost to the standard of living of Polish consumers. The government's promised offsetting compensation is likely to help only those in the lower income groups.

### Soviet Activity

TASS on Thursday quoted a high Soviet Central Committee official as stating that disarmament issues are the key questions for 1982 and that the USSR still favors

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constructive dialogue, including a US-Soviet summit. An official of the USA Institute, speaking to US diplomats the same day, urged that the two countries concentrate on "strategic" issues and overlook "peripheral" matters like Poland.

An article in *Pravda* yesterday by the head of the USA Institute warned that the Polish crisis could lead to a US-Soviet military confrontation. The primary purpose of the article was probably to heighten West European apprehension over the implications of US economic sanctions, but the commentary also argued implicitly for a moderate Soviet response to the measures.

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